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SHOP COMMITTEES: SUBSTITUTE FOR, OR SUPPLEMENT TO, TRADES-UNIONS?

I

There are today in the United States between three and four hundred business establishments, employing between half a million and a million workmen, that have organized shop committees.¹ Practically all of these committees have been installed within the last four years. Although most American employers consider this system to be of most recent origin, it was set up on the continent during the last quarter of the nineteenth century in an attempt to check the growing power of the trades-unions, and failing, decayed (save in the mining industry) only to be reincarnated after the armistice in a far more radical guise as a method of securing control by the workers' overproduction.²

¹ The National Industrial Conference Board found that in August, 1919, more than 200 business establishments employing about 500,000 men had such organizations. *Research Report Number 21*, National Industrial Conference Board on Works Councils in the United States, p. 1. Many plants have introduced shop committees in the intervening months and the estimate made above seems, on the whole, to be conservative.

² For a bibliography of material dealing with the earlier continental experience with shop committees see *Industrial Democracy—A Study Help*; prepared by the Library Employees' Union of Greater New York (463 Central Park West) pp. 25-34. For a

Many, however, who are ignorant of the continental experience with shop committees are acquainted with the Whitley Councils of England, and believe the American shop-committee system to be similar.¹ The two plans differ however, in the following basic respects: (1) The American shop-committee system is confined to individual plants, or at most to the plants of one employer, whereas the Whitley system provides for district and national councils for each industry, and indeed in practice has placed greater emphasis upon them than upon the formation of local works councils. (2) Whereas the overwhelming majority of American shop committees are not in any way affiliated or connected with the trades-unions as such; in England the trades-unions are recognized as the

description of the earlier German committees, see Max Sering, *Arbeiterausschüsse in der deutschen Industrie*, 176 pp. (Schriften des Vereins für Social-Politik, Band 46). The files of *Sociale Praxis* also give a great deal of information about specific committees. For the post-armistice development in Belgium and Germany respectively, see Henry DeMan, "Industrial Councils in Belgium," *Survey*, July 3, 1920, pp. 478-82; Savel Zimand, "What Is Happening in Germany," *New Republic*, November 10, 1920, pp. 266-68. For a further account of the German Works Councils see the following articles in the *Annals* for November, 1920 (Vol. XCII, No. 181): Hans Schäffer, "Results of Council Movement in Germany," pp. 41-47; S. Aufhauser, "Industrial Councils in Germany," pp. 48-53; Herman Ohse, "The New Workmen's Councils Legislation," pp. 54-60.

¹ Of the deluge of material about the Whitley system, the following items are especially valuable: The various reports of the Whitley Committee itself, i.e., Committee on Relations between Employer and Employed, interim report on joint standing industrial councils, March, 1917 (cd. 8608); second report on joint standing industrial councils, October, 1917 (cd. 9002); supplementary report on works committees, October, 1917 (cd. 9001); report on conciliation and arbitration, 1918 (cd. 9081, also cd. 9099); final report, July, 1918 (cd. 9153). These have been reprinted in America by the Emergency Fleet Corporation and also by the Bureau of Industrial Research. "Joint Industrial Councils in Great Britain," *United States Bureau of Labor Statistics, Bulletin No. 255*, not only gives the documents but describes the progress to the summer of 1919. For a description of the earlier stages see A. B. Wolfe, *Works Committees and Joint Industrial Councils*, a report published by the Industrial Relations Division of the Emergency Fleet Corporation. Arthur Gleason's "The Whitleys to Date," *Survey*, June 5, 1920, pp. 335-38, gives an idea of how much actual success these councils have had. See also *Directory of Joint Standing Industrial Councils, Interim Industrial Reconstruction Committees and Trade Boards*, January, 1920, and *Joint Industrial Councils*, Bulletin No. 3, September, 1920. Both of these are published by the Ministry of Labor. The first shows that seventy-four councils and reconstruction committees had been set up by 1920, while the second shows that eight months afterward sixty-four industries had joint industrial councils, seven of which, however, were in suspension.

spokesmen of labor and select the representatives to meet the representatives of the employers. Stated more simply, the shop-committee system in America has grown up outside the unions, while the Whitley system is based upon them.

What, then, is the difference between the shop committee and the trades-union? They are similar in that they are both organizations whereby the wishes of the workers may be expressed and both constitute a means of substituting a collective bargain between employer and workmen concerning the wage contract in place of the individual bargain. They differ, however, in three respects: (1) The shop committee represents the workmen of only one plant or company while the union represents the workmen of many plants in a given trade or industry. (2) The management is not excluded from the meetings of the shop committee whereas it is from the meetings of the unions. (3) The shop committees in the United States, at least, are initiated by the employers while the unions are initiated by the workers. Of these three points of difference the first is, of course, the most important.

One of the most important issues in the labor world today is as to the proper relationship between the two. Should the shop committee be a substitute for the union, and thus make the plant or concern the final unit of organization on the part of the men, or should it be a supplement to the union and perform certain functions while retaining the wider organizations?

There can be but little doubt that the recent enthusiasm for shop committees on the part of the employers has been due to their belief that here was a ready substitute for the unions. They were thus enabled to admit the principle of collective bargaining, which was becoming accepted by the public as equitable and necessary, and yet avoid the necessity of dealing with the unions. This attitude was clearly manifested in the President's First Industrial Conference of 1919 when the representatives of the employers insisted that the unit of collective bargaining should be the shop, stating that "the establishment rather than the industry as a whole or any branch of it should, as far as practicable, be considered as the unit of production and mutual interest on the part of employer and employee." In the Canadian Industrial Conference the

employers took a similar attitude and argued that they "should not be required to negotiate except directly, with their own employees."¹ Both of these statements seem somewhat oblique but no one who followed the two conferences could be in doubt as to their meaning. In both cases it was a refusal to recognize collective bargaining with the unions and an expression of willingness instead to set up if necessary shop units for collective bargaining.

It is always difficult and often unprofitable to speculate concerning the motives of men but if one studies the circumstances surrounding the installation of shop committees by individual firms, he is forced to the conclusion that the dominant motive in the vast majority of cases has been the desire to supplant or "head off" the unions. This is not to imply that this purpose need always have been consciously pursued; oftentimes it was undoubtedly subconscious. But it is most significant and indeed practically conclusive that the vast majority of shop committees are in plants that have been operating on the non-union shop basis.²

Thus the pioneer plan of any size in America, that of the Colorado Fuel and Iron Company, was adopted in 1915 after a bitter struggle with the miners union during 1914, while the Standard Oil Company's system came not long after the strike which tied up their Bayonne, New Jersey, plant. The establishment of such committees by governmental bodies, as the Shipbuilding Labor Adjustment Board and the National War Labor Board, was almost uniformly in plants which refused to recognize or deal with the unions. The adjustment boards used the shop committees as a means of obtaining non-union collective bargaining where union collective bargaining could not be secured. The adoption of the shop-committee plan by many steel companies such as the Bethlehem Steel Corporation, the Midvale Steel Company, and others in 1916 and 1919, followed closely upon the campaign to organize the iron and steel workers launched by the American Federation of

¹ *Report of the National Industrial Conference*, Ottawa, September 15-20, 1919, issued by the Department of Labor of Canada, p. xi.

² This observation agrees with the conclusion of Mr. W. L. Stoddard, "The large majority of plants having works committees maintain the open shop." "One Year of Shop Committees," *Industrial Management*, January, 1920, p. 31.

Labor. It will be remembered that one of these companies took its shop committee on a trip to Atlantic City, and there succeeded in inducing the committee to denounce the claims for decreased hours and increased wages which were being made by the union representatives. In a similar fashion the shop-committee plans of the International Harvester Company, the Willys-Overland Company, and the Goodyear Rubber Company cannot be understood without a knowledge of labor experiences of these firms and their very real fear that their plants might become unionized. The shop-committee plan of the Western Union Telegraph Company was installed after the trouble caused by their refusal to recognize the telegraphers union and assisted the company in fighting the strike of 1919. Turning to street railways, we find that the organization of shop-committees by the Philadelphia Rapid Transit Company and the Interborough Rapid Transit of New York came in each case soon after the attempts by the unions to secure recognition, while the shop committee plans instituted by the Kirschbaum Clothing Company of Philadelphia and the Michael-Stern Company of Rochester were clearly designed to prevent organization by the Amalgamated Clothing Workers. Similarly, the ship-yards of San Francisco Bay announced a shop-committee system during strikes conducted against them, while the plans instituted near Seattle have come shortly after the conclusion of strikes conducted by unions and in plants, the owners of which are steadfast in their opposition to dealing with the unions. The shop-committee system recently instituted in the California oil fields comes after a long struggle between employers and employees.¹ One could multiply these cases, but the foregoing are sufficient.

A frank statement of the purposes of the movement has been made by Mr. D. R. Kennedy, an adviser on industrial relations to some of the largest concerns in the country. "After all what difference does it make whether one plant has a 'shop committee,' a 'works council,' a 'Leitch plan,' a 'company union,' or whatever else it may be called? These different forms are but mechanics for putting into practice . . . 'family factory relations' and local shop expression. They can all be called 'company unions,'

¹ For details of plan see *National Labor Digest*, September, 1920, pp. 9-11.

and they all mean the one big fundamental point—*the open shop*.¹ All of this, of course, does not affect the question whether the shop committee is a satisfactory substitute for the unions, but it does indicate that committees are being used for this purpose, and that a consideration of the relative merits of these two forms of organization is far from being an academic matter.

II

In evaluating the worth of the shop-committee system, one must be on one's guard to distinguish between the merits of plans already in operation² and the inherent worth of the system. The fact that there are certain grave defects in many existing plans which might make it impossible to approve of them specifically, does not in itself prove that a shop-committee system purified of these defects might not be desirable, since it is, of course, possible to have many incorrect applications of a correct principle. Certainly, however, the vast majority of the present plans have such serious flaws in the protection which they afford the workers that it seems improbable that the workmen will permanently accept them in their present form. Some of these defects are:

1. In many cases the employers control or influence the election of committeemen. While practically all plans pledge the employers to keep hands off the elections, more or less covert pressure is frequently exercised to defeat men suspected of radicalism and to elect those favorable to the employers' point of view. This was clearly evidenced in several steel mills during the early winter of 1919 when the companies concerned were anxious to keep unionism out of their plants and feared that active union men might be elected to the shop committees and use these as a lever

¹ D. R. Kennedy, "Collective Bargaining in Practice," *Industrial Management*, February, 1920, p. 152. The italics are Mr. Kennedy's.

² Analyses of the various shop-committee plans include (1) "American Shop Committee Plans: A Digest of Twenty Plans for Employees Representation," compiled by the Bureau of Industrial Research, New York. (2) "Bloomfields Labor Digest," July, 1919. (3) "Survey of Shop Committee Plans," prepared for the underwriters, Rochester, N.Y. (4) "National Industrial Conference Board, Report No. 21, *op. cit.*" (5) "Report of New Jersey State Chamber of Commerce on Shop Committees and Industrial Councils," pp. 21-34. (6) W. L. Stoddard, "The Shop Committee."

to force union recognition. Even where the management, as such, does not take an active part, its general sentiments can be easily perceived by foremen and other minor officials and by the men themselves, causing an indirect but no less real influencing of the result.

2. The function of many shop committees is limited to non-vital matters. Many so-called shop committees are nothing more than welfare committees, while still others are only grievance bodies which may take up with the management individual complaints concerning wages, hours, and conditions of employment, but which have no power to negotiate a general wage-scale for the plant as a whole. Many others, such as the Youngstown Sheet and Tube Company, specify that "the right to hire and discharge and lay-off for lack of work or other legitimate reason is vested exclusively in the management." The omission of these topics leaves the workers with absolutely no collective protection on those matters which concern them most.

3. Frequently the control in the joint committee is held by the employers. Thus the plan of the San Francisco shipyards gave one more vote to the representatives of the employers than it did to the workmen. The industrial democracy plan of Mr. John Leitch operates in much the same way.¹ Here a house of representatives elected by the workmen, and a senate composed of foremen and minor executives deliberate on matters of interest, and refer their decision to the cabinet of executives for approval. It is apparent that the senate, which is certainly more representative of the employer than of the employees, virtually can negative any action by the house, and prevent it from even being referred to the cabinet for approval.

4. In many, although probably in the majority of, cases the decision of the joint committee is not final but must be approved by the executive before taking effect. This is not only the case in the Leitch plan but in many others as well. The shop committee is therefore, under these conditions, made merely advisory to the management and should the management disagree with the committee there is little further recourse, save in those cases where

¹ For a description of this plan see Mr. Leitch's well-known book, *Man to Man*, especially pp. 133-221.

arbitration is provided. The argument that even here the employer will seldom reject the findings of the joint committee does not meet the question. The fact remains that he has the power to do so, and that the asserted democratic government exists only on sufferance.

5. The qualifications for voting and holding office are such as to debar a large number of employees. It is typically provided that a workman must have been employed in the concern six months or a year before he is eligible for election as a shop committeeman and must be employed sixty days or more before he can vote. Many plants moreover limit office-holding to citizens, or to those having first papers, while others require this for voting as well. These requirements of course have the effect of barring out a large class of floating and foreign labor from representation and while no more unjust than our political requirements for voting, may prevent the shop committee from becoming truly representative.

6. Shop committeemen are frequently prevented from pleading the case of the workmen very strongly because of their fear of being discharged or discriminated against. The rules of practically every shop committee state that perfect freedom is to be given the committeemen to express their opinions and that no discrimination shall be practiced against them. Many employers nevertheless do coerce the committeemen who take a radical or combative stand in the meetings, while many others, although they believe themselves to be fair, become prejudiced against the active proponents of the workmen's side and this prejudice leads naturally into discrimination. Moreover, even where these dangers to free expression do not exist, the workmen often believe that they do and consequently moderate their claims and their method of presentation, because of their fear that they may be covertly punished if they are too active or question the employers too closely. This is particularly the case where the employer reserves to himself, as he generally does, complete decision as to promotion, demotion, and discharge.

As I have said, although many plans do have these grave blemishes, it is perfectly possible to conceive of a shop committee which would not have them. The scrupulously conscientious

employer, who seeks diligently and intelligently to deal fairly with his employees, would undoubtedly remove nearly all of the defects. Even here, it is questionable, however, whether he could completely eradicate the subconscious fear of the workmen to put their case strongly, when they feel no forces outside their shop supporting them. Moreover, the less scrupulous employer may choose to perpetuate some of these very defects for the purpose of weakening the bargaining power of the workers. While in theory, therefore, these faults could be remedied, in practice some of them may be expected, in a greater or a less degree, to continue. Furthermore, careful analysis of the situation will show that even a model shop committee, void of the above-mentioned blemishes, is inherently not as effective a bargaining agency as the union and hence from the standpoint of the workmen cannot be an adequate substitute.

1. Since it is limited to one shop or to the employees of one concern, it does not protect the "fair" employer from the "nibbling of competition" and the underbidding of the meanest man. It is thus likely to drag the conditions of labor in all plants down to the level of the conditions granted by the meanest man. This may be illustrated as follows: Employer A has a shop committee in his plant and pays high wages under good working conditions, while employer X, who does not have a shop committee, bargains with each of his employees individually and by reason of his greater bargaining strength pays much lower wages and affords poorer working conditions. Employer X therefore will be able to produce more cheaply than A, unless A's higher wages call out correspondingly greater production, which is not at all likely. The only way A can protect himself is to reduce wages correspondingly. Other employers with shop committees will be obliged to do the same. Clearly the only way to protect the workmen in A's factory is to organize the employees of X and to push their wages up to the level of A's wage. Under the shop-committee system however, this would be impossible, since the employees of one concern could not organize the employees of another or become independently affiliated with them. Through a union, however, the employees of A, B, C, etc., would furnish the moral and material resources to organize the workmen in X's plant and thereby protect themselves from the

menace of low wages. In other words, despite the opinion of any well-meaning employers, no one plant under our present competitive industrial system can maintain proper standards of wages and hours by itself alone. There must be a general minimum for the industry as a whole below which no plant can fall, and the unified pressure of the unions is the chief means whereby the workmen may protect themselves against the attempts of employers to secure trade by depressing wages. The employer indeed should not be blamed for this, since he is merely striving to get business and in order to do so must make low prices which will attract the consumer.¹

It has been just this necessity of preventing competitive encroachments upon wages which has caused the unions to evolve from local shop organizations to the national and international unions of today. With our ever-widening market, the unit of labor organization must expand equally in order to maintain basic standards everywhere and to protect those already in its folds. To propose a return to the shop as the final unit of labor organization is, therefore, as much of an anachronism, as to propose that our industrial system should return to the period of village self-sufficiency.

2. Since under the shop-committee system employers treat only with their own men,² the workmen are deprived of expert outside advice in putting their case and conducting their negotiations. The modern wage contract needs a great deal of skill in negotiating. The owners of a concern hire skilled experts to represent them. The general manager, the personnel expert, the industrial engineer, and the lawyer are all the hired outside representatives of the shareholders. It is only fair therefore that the workers should be allowed outside representatives as well. Men who work with their hands all day are seldom capable of driving as good a bargain as a skilled and shrewd negotiator. The union business agent or "walking delegate" is this expert negotiator for the workmen and, despite his many faults, performs on the whole

¹ This is of course the theory of the Webbs as developed in their incomparable chapter on the "Higgling of the Market" in *Industrial Democracy*.

² Save in such rare instances as the Nunn-Busch Shoe Co., of Milwaukee, Wis., where the shop committee is allowed to employ an outside business agent.

exceedingly valuable functions for those whom he represents. Indeed it might be said that the union is in part a device whereby individual workmen are able to pool small amounts and hire a professional expert to represent them. This opportunity the shop committee virtually denies them.

3. It does not furnish the instrumentality which the unions do provide for the enactment of labor laws to better the conditions of labor. The labor question cannot be settled on the economic field alone. Protective legislation has been found necessary to protect men as well as women from the effects of unrestricted competition. Such legislation is generally opposed by the organized employers and its passage and subsequent enforcement depends largely upon the efforts of labor itself, together with that of the independent humanitarian groups. The unions, representing as they do a wide constituency, are enabled to apply a considerable measure of pressure for these purposes which unconnected shop committees would be totally unable to muster.

4. Save in a very large plant, the shop-committee system cannot afford the protection against sickness and unemployment that the union with its insurance funds, drawn from a wide area, can offer.

5. In the event that it became necessary for the workmen of a given plant or company operating under the shop-committee system to put pressure upon the employer to compel the acceptance of a demand, they would be in a very weak position to enforce their claim. Should they collectively leave work, they would not have the moral or financial backing of their fellow-workers in other plants. They could not secure strike benefits to assist them, nor would other workers aid them by putting pressure upon the employer to accede to their requests. The union, however, buttresses the workers in an individual plant through strike-benefits, assistance in picketing, moral support, and frequently through sympathetic strikes and boycotts. Should a break come with the employers the workmen's chances of success, therefore, would be much greater if they were organized in a union than if they were merely organized in a shop committee.

6. Finally, it may be asked, why should the workmen be expected to organize only within plants when their employers

are organized between plants. Practically every large city has its chamber of commerce through which the employers of the locality try to work out a common labor policy for their various concerns. In addition there are the many employers associations which deal exclusively with labor matters, such as the Associated Industries which have been formed in so many cities in the last eighteen months. Moreover, practically every state has its manufacturers' association, while there are national and sectional bodies in nearly every trade and industry. In addition to these are such national organizations as the United States Chamber of Commerce, the National Manufacturers Association, the National Industrial Conference Board, the Anti-Boycott Association, etc. Employers join these bodies in the main so that they may take common action in labor matters.

If workmen therefore should be organized only within the plant and should not be joined with the employees of other plants, should not all employers withdraw from these employers organizations and not combine on labor matters? This, of course, few, if any, employers would do, and it is not proposed here that they should withdraw. Quite the contrary. It is very desirable that they should organize and take common counsel and adopt common measures. But if they do so, how can we or they legitimately deny to their employees the right to do the same?

The plain truth of the matter is that in our modern industrial society the interests of the worker cannot be protected adequately by the public opinion of the consumers, who are seeking low prices and who are generally ignorant of, and often careless about, conditions of employment; they cannot be protected by the benevolence of employers, not only because the modern impersonal wage relationship is not conducive to benevolence, but also because the employers themselves are in the grip of competitive pressure forcing them to cut costs wherever possible in order to secure trade. The interests of the workers can ultimately only be protected effectively by an organization of the workmen themselves to resist the pressure for lower wages and sweated conditions brought to bear upon them through the market structure. The success with which they can offset and overcome the personal and impersonal

pressure already exercised against them will depend in direct ratio upon the strength of the organization they can set up. To substitute disconnected shop committees for the well-knit union forms would be to deal a severe and perhaps deadly blow at effective working-class organization, and to render them almost helpless before the opposing forces.

Therefore while the creation of a shop committee is a real step forward in plants now bargaining with their employees individually, and even here only as a transitional stage to a more desirable relationship, it is almost invariably retrogressive when used to displace collective bargaining with the unions or to delay or prevent such dealings.

Those who have irrevocably resolved that the growing movement of labor should be checked cannot be expected to favor unions in preference to shop committees. Rather will this class prefer shop committees precisely because they *will* weaken the power of labor. Those however who know the conditions of life and work of the typical modern workman and his family and are sincerely desirous that he may have an opportunity to lead the better life, will realize that shop committees are not and cannot be a just substitute for unionism.

It may well be asked whether a federation of shop committees and the creation of a council for the industry as a whole, outside the existing unions, is not an adequate substitute for the unions. Such is the plan of organization of the Loyal Legion of Loggers and Lumbermen, which has been functioning in the lumber industry of the Pacific Northwest for the last three years, and it is evidently some such plan that Mr. W. L. Mackenzie-King regards as a possible solution. This method would enable a minimum scale of wages and working conditions to be set for the industry as a whole, and would consequently protect individual employers against the competition of their fellows. It would therefore be a vast improvement upon the unco-ordinated shop-committee system. Is it then a substitute for the unions?

In the first place, it may be remarked that such a plan of organization would be a union of a sort. It is not necessary for an organization to have the *cachet* of the American Federation of

Labor to be a union. Secondly, the question whether it would be preferable to the existing type of union would depend upon the opportunities granted the workmen under it. If both the rank and file of the workers and their representatives on the shop committees and on the industrial council were allowed to meet separately from the employers; if the organizations of the various industries were allowed to federate; if each body were allowed to accumulate funds for insurance and unemployment and to assist the workers in other shops or industries if they believed them to be in the right; if the workers through their organizations were permitted to present their program of legislation to legislative bodies; if they were allowed to hire experts from without a plant or industry who would not be dependent upon the employers for their jobs; if all these conditions existed, then such a system would be a sufficient protection to the workmen. It is extremely doubtful however whether the great mass of employers, in their present frame of mind, would allow such freedom to the workers. What indeed would be the advantage in replacing the present union organization by bodies every whit as formidable in bargaining power?

On the whole then, it seems most dangerous to replace the existing union structures by the shop committee, or even by the industrial council system. It is better to build, in an evolutionary fashion, upon the existing union forms, trying to rid them of their evils, than to risk the protection of the workmen exclusively upon these newer methods of organization, which for a long time at least must depend for their effectiveness almost entirely upon the generosity of the employers.

III

The foregoing remarks should not be construed as meaning that the shop committee has no legitimate place in industry. Quite the contrary. It is because the shop committee has such very significant and important functions to perform that the attempt to use it as a union substitute is especially dangerous. While the shop committee may replace many unions for a time, the union type of organization cannot permanently be displaced by such an incomplete structure, since the logic of the situation will

ultimately lead the workers to organize in ever larger and more effective units. A greater danger than the temporary weakening of the workers' bargaining strength is the probability that, if the shop committee is used as a union substitute, the minds of the workers will become so inflamed that they will refuse to see its good points and will reject it utterly.¹ In other words, if it becomes a question of shop committee or trades-unionism, it will be the shop committees and not unionism that ultimately will disappear. If the valuable possibilities of the shop committee are to be preserved, it must be clearly envisaged that it is to be a supplement to the union and not a substitute for them.

What then are the functions which the shop committee can perform, once the union has been recognized as the body with which the collective bargain is to be made?

1. It would furnish an excellent instrumentality for applying and interpreting the terms of the labor agreement made with the unions and would enable grievances to be settled with a minimum of friction. Any labor agreement necessarily creates vexatious problems of administration, such as the correct classification of workmen into trades, the interpretation of overtime, the determination as to whether discharges are made for cause or for union membership or activity, the enforcement of rules as to piece-rates, hourly wages, etc. Ordinarily these adjustments are made in behalf of the men by the business agent who is generally both ignorant of the details of plant administration and, however

¹ Thus the use of shop committees by the various steel companies led the American Federation of Labor in 1919 to condemn them as "a delusion and a snare, set up by the companies for the express purpose of deluding the workers into the belief that they have some protection and thus have no need for trade union organization: therefore be it

Resolved, That we disapprove and condemn all such company unions and advise our membership to have nothing to do with them, and be it further

Resolved, That we demand the right to bargain collectively through the only kind of organization fitted for this purpose, the Trades-Union, that and we stand loyally together until this right is conceded us.—*Proceedings 39th Annual Convention of the A.F. of L.*, 1919, pp. 302-3.

That this was not wholly due to the reluctance of organized labor to endure any other form of organization is evidenced by the recent tendency of Mr. Gompers to approve of *union* shop committees as a method of securing more amicable relations with employers and of increasing production.

excellent as a combative negotiator of the original contract, is seldom tactful in bringing grievances to the attention of the management. In a large percentage of the cases he interferes with and impedes production unnecessarily in his attempt to settle grievances. Indeed, much of the opposition to unions on the part of the employers is due not so much to fundamental opposition to the principle of collective bargaining, as to their fear of a "walking delegate" interfering unnecessarily with the operation of their plants.

Under the shop committee, this irritation would be reduced to a minimum, since the shop committeemen would know the particular situation and could make the adjustments with the management. In those few cases where disagreement would occur between the employer and the committee, appeal could be taken to a higher board, set up for the local industrial district, before which the business agent could appear (with the shop committee) to represent the workmen. The shop committee moreover could settle many grievances such as abuse by foreman or fellow-workers, which in the nature of the case are now impossible to settle even in a union shop. The equitable adjustment of these grievances by a body in which the workman has confidence will result in a much improved plant morale, in greater individual effort, and consequently in heightened production.

2. It would permit workers and employers to meet on a common ground and understand each other. The representatives of both groups can meet face to face in discussion over common problems. From this meeting a better mutual attitude is almost invariably created than would be secured by dealing only through intermediaries.

3. It would enlist the workers' interest in production to a much greater extent than at present and would make the plant more efficient. Once protected by the collective bargain, workmen can be brought to realize that the greater the production, the higher will be their real wages. The shop committee is the effective local agency whereby this may be impressed upon the men and their appeal will have far greater effect than if it came directly

from the management. Not only can the general appeal for production be made by the shop committee, but it can also set up co-operative relationships with the management along a number of different lines, whereby an increase in quantity and an improvement of the quality of the goods can be effected. Some of the concrete subjects which a truly representative shop committee, or its subcommittees, can deal with are: (*a*) the better utilization of the practical knowledge and experience of the employees, which under ordinary conditions are now untapped; (*b*) elimination of the waste of materials; (*c*) better co-ordination of work between departments; (*d*) introduction and utilization of new processes and machinery; (*e*) co-operation in the fixation of standards of normal quantity and quality expected at various tasks; (*f*) methods for the reduction of labor turnover and absenteeism; (*g*) active co-operation in accident and occupational disease prevention; (*h*) active development of trade training in the shop and supplementary training outside the plant.

4. It would train the worker in the real problems of industry and would acquaint him with the actual conditions of affairs. Much of our present industrial unrest comes from a lack of knowledge of what the basic facts of business are. Much of it, whether consciously or unconsciously, comes from the desire of workmen to have a share in the conduct of the work at which they are employed. The shop-committee system, by admitting the workmen to a partial control in the actual government of production would not only be extremely educative to its members but to all the electors as well. Just as the ballot leads citizens to become more interested in political matters, so would the very act of industrial suffrage cause the workers to take a more intelligent interest in the affairs of the workshop. Industry would thus become educative in a real sense, turning out better men as well as more goods. With the increased knowledge of actual conditions, impossible demands upon the part of the workmen would become less frequent.

5. It would lay the basis for a more effective organization of the workers, with the plant as the unit of organization rather than the present heterogeneous local composed of workers from different

plants. As the report of the New Jersey State Chamber of Commerce well says,

All the meetings and all the business of the union are conducted in its various headquarters, central or local, which are located more or less remotely from the workshop in which the constituency of the union is located. In other words, the organization is to a considerable degree detached from its foundations. Instead of coming to their constituency in the places where it is located, i.e., in the workshops, the leaders must depend upon the constituency coming to them, i.e., to the headquarters, whenever its participation in organization affairs is desired. A large proportion of the members fail to come and the attendance of the meetings is usually very poor. The union leaders of today must not be blamed for this fundamental defect of their organization. It has been in existence long before they started their activities. It grew up under conditions when employers would not allow the unions to transact their business in the workshops and would discharge the men who were active in the union movement.¹

If the workshop is used as the basic local, this difficulty will be overcome and there will be a better attendance at meetings and more interest in union affairs.

The strength of the coal miners unions, both here and abroad, is due in no small measure to the fact that they are largely organized with the pit as the typical local and that they thus have a cohesive and interested group of members. The clothing unions in this country are coming more and more to use the shop as the basic local unit of organization, while the printing unions have their "chapel" or shop organization as well. Such a type of organization would, of course, lead to industrial rather than to craft unionism, since the entire plant would be the unit and not a specific trade. This development squares on the whole with the progress of machine industry and would effect the practical elimination of jurisdictional disputes. It is worthy of note that it is precisely this desirability of the workshop as the basic unit of unionism that Guild Socialists, such as Mr. G. D. H. Cole, strongly advocate.²

¹ Report of New Jersey State Chamber of Commerce, *op. cit.*, p. 15.

² "The true basis of Trade Unionism is in the workshop and failure to realize this is responsible for much of the weakness of Trade Unionism today. The workshop affords a natural unit which is a direct stimulus to self-assertion and control by the rank and file. Organization that is based upon the workshop stands the best chance of being democratic. . . . Instead of the 'residence' branch, let us have the 'house' branch."—G. D. H. Cole, *Self-Government in Industry*, pp. 139-41. The following

IV

CONCLUSION

Modern industry needs both the shop committee and the trades union, since both are necessary for the effective carrying out of the relationship between workmen and employer. This relationship is neither one of complete antagonism nor one of absolute harmony. Neither the I.W.W. preamble with its statement that "the working class and the employing class have nothing in common," nor the belief of the liberal employer that "the interests of Labor and Capital are identical" is completely correct although each expresses a glittering half-truth. Paradoxical as it may sound, the interests of employer and employee are at once both harmonious and antagonistic. They are harmonious in that it is to their mutual interest to have the profits of an individual concern and the total production of society as large as possible. The larger the industrial pie, the more there is to divide; the higher the profits the greater the possibility of higher wages. Their interests however, are antagonistic in the division of the product. Each wants to get as large a share of the pie as possible, and the more one secures, the less will the other receive.

The unions hitherto have been chiefly combative organizations designed to protect and enhance the workmen's share in distribution. This is still a necessary function, and one that must be performed by the strong organization of the unions; to substitute the shop committee or even the industrial council for them would be a tragedy. The co-operative features of the relationship between employer and employee however, need to be developed equally, in order that the size of the pie may be increased as much as possible, and in performing this function the shop committee is invaluable. The relationship of the two bodies, in other words, is properly complementary, and not mutually exclusive. We can only hope that in practice this harmonization will be secured.

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editorial statement from an American labor journal emphasizes this point of view. "The shop is the unit of organization of industry. . . . The shop also is the unit of industrial control: and whether we are aware of it or not, the shop is the real unit of every labor organization."—*The Headgear Worker* (organ of the United Cloth Hat and Cap Makers' Union) November 19, 1920.